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The Aluminum Situation

Department of Economics and Statistics **August 1985**

Shipments Off 3.8 Percent

Net shipments for six months of 1985, at an estimated 7,592 million pounds, were 3.8 percent lower than the 7,893 million pounds for six months of 1984.

Domestic shipments of 6,912 million pounds were 6.5 percent lower than the 7,389 million pounds shipped in six months of 1984.

Imports were down 9.1 percent and exports improved 34.9 percent.

Thru June 1985

	6 mos. 1985	6 mos. 1984	% Change
Mill Products	6,055	6,239	- 2.9
Ingot	1,537	1,654	- 7.1
Total	7,592	7,893	- 3.8
Less Exports	(680)	(504)	+34.9
Domestic Total	6,912	7,389	- 6.5

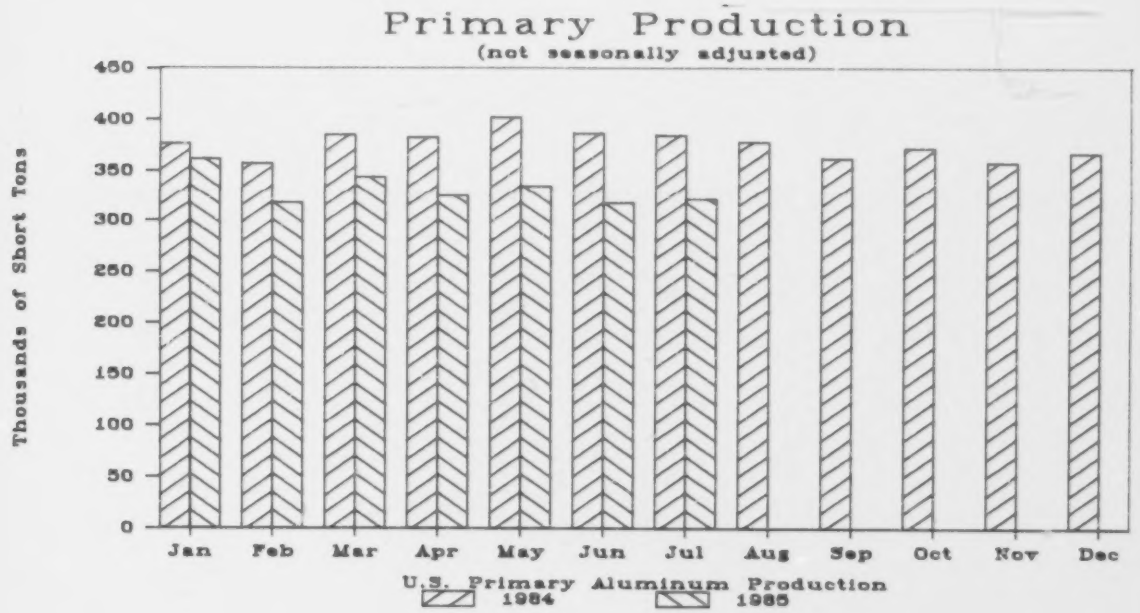
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 16.4 Percent

U.S. primary aluminum production averaged 10,384 short tons daily during July 1985 compared with an average 12,417 tons a day in July 1984.

The annual rate of production in July 1985 was 3,790,213 tons, compared to 3,868,708 tons in June 1985. July 1984 production rate was 4,544,439 tons.

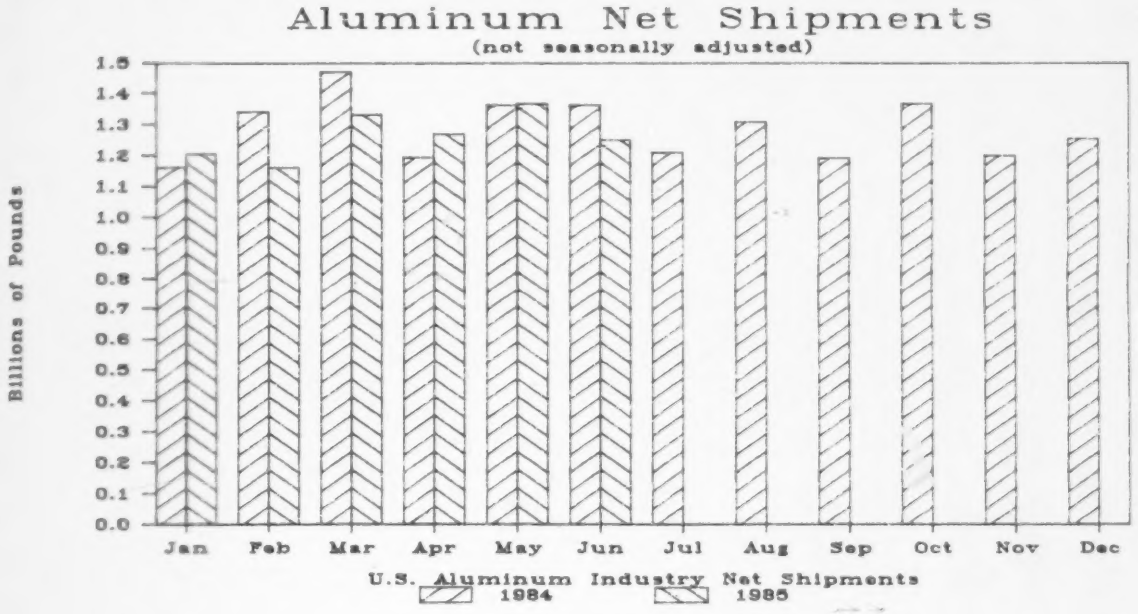
Actual production in July 1985 was 321,909 tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

First Half 1985 Shipments 3.8 Percent Less Than Year Ago

Estimated shipments of 7,592 million pounds for the first six months of 1985 were down 3.8 percent from 1984's first half. Exports show a 34.9 percent increase (mainly in ingot). Domestic shipments were off 6.5 percent.



Net Shipments

(Millions of Pounds)

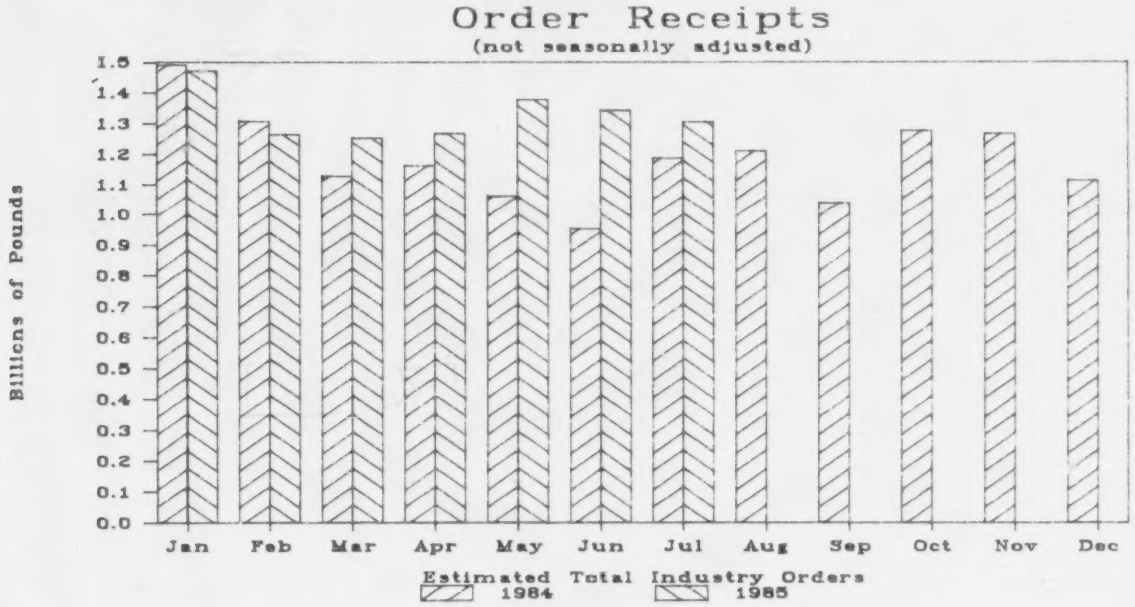
	1985 June*	1984 June	1985 6 mos.*	1984 6 mos.	% Change YTD 1985 vs. 1984
Sheet	545.0	532.9	3,140.6	3,320.1	- 5.4
Plate	22.0	22.9	134.1	128.3	+ 4.5
Foil	68.0	77.6	409.6	441.5	- 7.2
Rod, Bar & Wire	23.0	36.9	157.5	219.2	-28.1
Electrical Conductor	58.0	60.6	362.5	351.8	+ 3.0
Extruded Shapes & Tube	224.0	211.1	1,307.1	1,222.0	+ 7.0
Powder & Paste	8.0	8.3	56.4	50.4	+11.9
Forgings & Impacts	10.0	12.1	74.2	74.5	- 0.4
Net Imports of Mill Products (Total) (a)	61.0	74.2	413.2	431.2	- 4.2
Total Mill Products	1,019.0	1,036.6	6,055.2	6,239.0	- 2.9
Ingot (b)	234.0	325.5	1,536.9	1,653.8	- 7.1
TOTAL INDUSTRY SHIPMENTS	1,253.0	1,362.1	7,592.1	7,892.8	- 3.8
Exports	(155.3)	(93.0)	(679.7)	(503.8)	+34.9
TOTAL DOMESTIC SHIPMENTS	1,097.7	1,269.1	6,912.4	7,389.0	- 6.5

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Seven Months Orders 12.1 Percent Over Year Ago

Estimated net new order receipts for the first seven months of 1985 of 9,293 million pounds were up 12.1 percent over the 8,291 million pounds for the first seven months of 1984. July 1985 orders were up 10.0 percent over July 1984.



Order Receipts

(Millions of Pounds)

	1985 July*	1984 July	1985 7 months*	1984 7 months	% Change YTD 1985 vs. 1984
Can Stock (a)	205.4	196.2	1,973.4	1,831.8	+ 7.7
Sheet & Plate, Other	376.1	227.3	2,447.3	1,955.7	+25.1
Foil	57.1	68.5	433.0	473.0	- 8.5
Rod, Bar & Wire	27.3	20.2	111.7	163.3	-31.6
Electrical Conductor	66.7	48.8	434.6	449.9	- 3.4
Extruded Products	246.9	208.6	1,528.3	1,340.5	+14.0
Powder & Paste	8.4	12.4	72.2	70.8	+ 2.0
Forgings & Impacts	14.4	9.3	72.7	83.5	-12.9
Domestic Mill Products	1,002.3	791.3	7,073.2	6,368.5	+11.1
Ingot (Total)	217.7	278.2	1,612.5	1,386.1	+16.3
TOTAL DOMESTIC	1,220.0	1,069.5	8,685.7	7,754.6	+12.0
Exports	87.4	118.7	606.9	535.9	+13.2
TOTAL ALL PRODUCTS	1,307.4	1,188.2	9,292.6	8,290.5	+12.1

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

Inventories Declined in June 1985 By 109 Million Pounds

Producer inventories decreased an estimated 109 million pounds in June 1985 from May 1985. Inventories now appear to have declined about 470 million pounds from the recent November 1984 high level. Due to changes in the Bureau of Census format of reports in January 1985, inventory detail is now shown by product type.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Jul 84	5,775	4,622	234	919
Aug 84	5,794	4,640	225	930
Sep 84	5,881	4,710	226	945
Oct 84	5,889	4,722	225	942
Nov 84	5,920	4,790	205	925
Dec 84	5,849	4,691	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,759	2,448	699	2,612
Feb 85	5,678	2,575	666	2,437
Mar 85	5,657	2,438	655	2,564
Apr 85	5,600r	2,488r	674r	2,438r
May 85	5,559r	2,475r	703r	2,380r
Jun 85	5,450	2,325	655	2,470

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1985 June	1984 June	1985 6 mos.	1984 6 mos.	% Change 1985 vs. 1984
Imports	Mill Products	80.1	92.1	521.6	529.2	- 1.4
	Ingot	169.0	147.1	928.4	1,059.2	-12.4
	Total	249.1	239.2	1,450.0	1,588.4	- 8.7
	Scrap (+ dross)	21.5	26.7	125.0	145.1	-13.9
	Grand Total	270.6	265.9	1,575.0	1,733.5	- 9.1
Exports	Mill Products	37.6	45.0	227.5	264.8	-14.1
	Ingot	117.7	48.0	452.1	239.0	+89.2
	Total	155.3	93.0	679.6	503.8	+34.9
	Scrap	82.8	36.0	441.7	224.2	+97.0
	Grand Total	238.1	129.0	1,121.3	728.0	+54.0
Net Imports		32.5	136.9	453.7	1,005.5	-54.9

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.